

PCTWORLD INTELLECTUAL PROPERTY ORGANIZATION
International Bureau

INTERNATIONAL APPLICATION PUBLISHED UNDER THE PATENT COOPERATION TREATY (PCT)

(51) International Patent Classification ⁷ : G06F 17/60		A2	(11) International Publication Number: WO 00/68861								
			(43) International Publication Date: 16 November 2000 (16.11.00)								
(21) International Application Number: PCT/US00/13201			(81) Designated States: AE, AG, AL, AM, AT, AU, AZ, BA, BB, BG, BR, BY, CA, CH, CN, CR, CU, CZ, DE, DK, DM, DZ, EE, ES, FI, GB, GD, GE, GH, GM, HR, HU, ID, IL, IN, IS, JP, KE, KG, KP, KR, KZ, LC, LK, LR, LS, LT, LU, LV, MA, MD, MG, MK, MN, MW, MX, NO, NZ, PL, PT, RO, RU, SD, SE, SG, SI, SK, SL, TJ, TM, TR, TT, TZ, UA, UG, UZ, VN, YU, ZA, ZW, ARIPO patent (GH, GM, KE, LS, MW, SD, SL, SZ, TZ, UG, ZW), Eurasian patent (AM, AZ, BY, KG, KZ, MD, RU, TJ, TM), European patent (AT, BE, CH, CY, DE, DK, ES, FI, FR, GB, GR, IE, IT, LU, MC, NL, PT, SE), OAPI patent (BF, BJ, CF, CG, CI, CM, GA, GN, GW, ML, MR, NE, SN, TD, TG).								
(22) International Filing Date: 12 May 2000 (12.05.00)											
(30) Priority Data: 60/133,792 12 May 1999 (12.05.99) US											
(71) Applicant: MASTERCARD INTERNATIONAL INCORPORATED [US/US]; 2000 Purchase Street, Purchase, NY 10577-2509 (US).											
(72) Inventors: TUNG, Teik; 22 Carriage House, Danbury, CT 06810 (US). CARELLA, David; 30 Havilland Street, Harrison, NY 10528 (US).											
(74) Agents: SCHEINFELD, Robert, C. et al.; Baker Botts LLP, 30 Rockefeller Plaza, New York, NY 10112-0228 (US).			Published <i>Without international search report and to be republished upon receipt of that report.</i>								
(54) Title: BENCHMARK ANALYSIS SYSTEM											
(57) Abstract <p>The invention provides a method and system for providing benchmarking analysis of the performance of an organization, typically a business organization such as a provider of financial services, e.g., an issuer of credit card accounts, vis a vis its peer or industry-competitor companies. A central benchmarking provider is supplied with data relative to certain crucial categories of issuer performance (e.g., the characteristics of the issuer's account portfolio makeup, risk management, financial performance, operation, and cardholder satisfaction) for a number of peer issuers. These data are then analyzed, on a weighted basis keyed to the particular issuer's status within the industry, and then compared on an integrated basis with industry averages or standards for such crucial category parameters. Data gathering and result distribution may be conducted by easy and secured internet channels. Benchmarking reports may be customized to suit the analytic needs of each issuer. The issuer is thus supplied with periodic assessments of its own performance and the relationship of that performance to the industry standards. Evaluation of issuer efficiency and performance, and strategic decisionmaking and planning, are thus facilitated.</p>											
<table border="1"><tr><td rowspan="5">Benchmark Advantage</td><td>Portfolio</td></tr><tr><td>Risk Management</td></tr><tr><td>Financial</td></tr><tr><td>Operations</td></tr><tr><td>Cardholder</td></tr><tr><td></td><td>Data Processing</td></tr></table>				Benchmark Advantage	Portfolio	Risk Management	Financial	Operations	Cardholder		Data Processing
Benchmark Advantage	Portfolio										
	Risk Management										
	Financial										
	Operations										
	Cardholder										
	Data Processing										

FOR THE PURPOSES OF INFORMATION ONLY

Codes used to identify States party to the PCT on the front pages of pamphlets publishing international applications under the PCT.

AL	Albania	ES	Spain	LS	Lesotho	SI	Slovenia
AM	Armenia	FI	Finland	LT	Lithuania	SK	Slovakia
AT	Austria	FR	France	LU	Luxembourg	SN	Senegal
AU	Australia	GA	Gabon	LV	Latvia	SZ	Swaziland
AZ	Azerbaijan	GB	United Kingdom	MC	Monaco	TD	Chad
BA	Bosnia and Herzegovina	GE	Georgia	MD	Republic of Moldova	TG	Togo
BB	Barbados	GH	Ghana	MG	Madagascar	TJ	Tajikistan
BE	Belgium	GN	Guinea	MK	The former Yugoslav Republic of Macedonia	TM	Turkmenistan
BF	Burkina Faso	GR	Greece	ML	Mali	TR	Turkey
BG	Bulgaria	HU	Hungary	MN	Mongolia	TT	Trinidad and Tobago
BJ	Benin	IE	Ireland	MR	Mauritania	UA	Ukraine
BR	Brazil	IL	Israel	MW	Malawi	UG	Uganda
BY	Belarus	IS	Iceland	MX	Mexico	US	United States of America
CA	Canada	IT	Italy	NE	Niger	UZ	Uzbekistan
CF	Central African Republic	JP	Japan	NL	Netherlands	VN	Viet Nam
CG	Congo	KE	Kenya	NO	Norway	YU	Yugoslavia
CH	Switzerland	KG	Kyrgyzstan	NZ	New Zealand	ZW	Zimbabwe
CI	Côte d'Ivoire	KP	Democratic People's Republic of Korea	PL	Poland		
CM	Cameroon	KR	Republic of Korea	PT	Portugal		
CN	China	KZ	Kazakstan	RO	Romania		
CU	Cuba	LC	Saint Lucia	RU	Russian Federation		
CZ	Czech Republic	LI	Liechtenstein	SD	Sudan		
DE	Germany	LK	Sri Lanka	SE	Sweden		
DK	Denmark	LR	Liberia	SG	Singapore		
EE	Estonia						

BENCHMARK ANALYSIS SYSTEM

SPECIFICATION

BACKGROUND OF THE INVENTION

This application claims the benefit of, and incorporates by reference in
5 its entirety, U.S. Provisional Patent Application No. 60/133,792, filed May 12, 1999.
The present invention relates to business analysis tools and in particular to methods
and systems for providing comparative analysis and benchmarking of businesses,
including issuers of financial services accounts and holders of account portfolios,
specifically portfolios of credit card accounts.

10 In the financial services market as currently constituted, there exists a
number of channels or financial service "products" through which customers, for
instance individual persons, may borrow money, typically by paying an interest or
finance charge. Such borrowing may take multiple forms, including for example the
form of a credit card account issued by a bank or savings and loan. Typically, credit
15 card accounts are revolving lines of credit, whereby a customer may charge up to a
certain line of credit for purchases or other transactions, and pays a periodic interest
charge (subject to certain grace periods) as well as minimum (or greater) monthly
payments against the principal of credit incurred.

There exist a wide range of issuers of credit. For example, there are
20 thousands of issuers of credit card accounts. These issuers compete with each other to
achieve superior profitability, as well as competing with other suppliers of financial
services. In such a competitive financial services arena, it is important for each issuer
of financial services or credit to be able to evaluate the performance of its financial
services account/customer portfolio, both against the issuer's own standards and past
25 performance and against the performance of its rival financial services suppliers.

Accurate and quick evaluation of portfolio performance is a crucial but
complex and difficult task for credit issuers and other financial services suppliers. It
is crucial because the issuer's own survival and financial health is dependent upon

maximizing profitability and implementing advantageous strategies and decisions for portfolio/account maintenance. It is difficult and complex because such a wide variety of factors contribute to the issuer's business performance. Sometimes these factors combine in difficult-to-quantify, unexpected, or conflicting fashion. To take just one example, an issuer of credit cards will not maximize profitability if all cardholders pay off their credit balances in full on a monthly basis as incurred, because credit card accounts typically allow one-month grace period before incurring finance charges on unpaid balances. Thus, if all balances are fully paid as incurred, the issuer will receive little or no interest income. However, if all cardholder balances are to the contrary paid very slowly, issuer revenue flows may decrease unacceptably and the risk that cardholder balances will become uncollectable may increase to a very unfavorable level. Thus, it is important not only for the issuer to have exact data on the speed of cardholder payment, but also to be able to compare such data to analogous data of peer issuers, in order to evaluate which payment rate provides best performance in a competitive market, or whether the issuer can or should take particular steps to influence its own payment rate, either to match those of other issuers or to make it higher or lower, as might be deemed to provide a competitive advantage.

Thus, evaluation of account portfolios as compared to the portfolios of other peer institutions, a process known as "benchmarking," is of crucial importance to issuers of financial services. Certain forms of benchmarking have been developed in the financial services industry.

Benchmarking within as well as outside the financial services industry has typically occurred along functional lines such as finance, operations, or marketing. The common practice has been to focus on identifying the best performance levels in certain areas given that most of the consultants conducting benchmarking studies specialize in one or two particular areas of expertise. It has proven much more difficult to develop comprehensive benchmarking efforts cross-linking all the most important functional drivers of portfolio performance, largely due to the complexity of applying cross-functional expertise and resources to an integrated study of such breadth. Additionally, benchmarking needs in the past have largely

been articulated by functional and support staff as opposed to being sought or conducted by top issuer management, who would be more likely to demand a total or integrated approach.

Further, there have been difficulties in comprehensive benchmarking
5 due to the inability to collect benchmarking data of sufficient breadth and depth efficiently and reliably while turning over the results to issuer management and staff in a fashion sufficiently expeditious to suit the needs of relevant benchmarking data users. In the past, the absence of easy remote data collection has hampered the gathering of performance parameter inputs from the variety of remotely-located
10 sources within and without the issuer's organization that may be the custodians or generators of such inputs.

It would thus be desirable to provide a method and system for supplying and managing benchmarking analysis integrating all the related drivers of an organization's or financial services issuer's business performance: (i) against its
15 relevant peer group; (ii) against the entire system of benchmarking participants; and (iii) temporally across different reporting periods. It would further be desirable to provide the organization or issuer the capability to juxtapose its financial performance metrics in a given period of desired duration against its peers and industry, not only for that period, but also on a backward-looking basis, incorporating metrics such as
20 risk management. It would further be desirable to enable the organization to assess causal relationships over time between selection or implementation of particular business policies or standards and ensuing financial results, both as to the organization itself and as to its peers. It would also be desirable to provide a benchmarking system that integrated known spreadsheet reporting software capability
25 with the hypertext markup language (HTML) and security protocols of the internet and World Wide Web to allow safe, effective, and rapid collection and dissemination of benchmarking parameter inputs from various remote locations to the benchmarking provider, and of benchmarking analysis results from the provider to the organization being benchmarked. It would still further be desirable to perform benchmarking
30 allowing a "holistic" view of an organization or issuer's performance vis a vis its peer group and industry by applying variable weighting to various benchmarking data as is

appropriate to the organization's position within its industry and other unique characteristics of the organization, thus providing a customized analysis of the organization's particular needs and performance. The prior art does not meet these needs.

5

SUMMARY OF THE INVENTION

The present invention provides a secure, on-line interactive tool that lets an organization or financial services issuer easily evaluate how well its performance measures up to the competition's. Unlike other benchmarking services, the present invention allows the organization or issuer to compare timely data on all
10 aspects of its performance, not just financial results.

With its unique presentation of comprehensive comparative data, the present invention gives the organization the information and insights it needs to understand its competitive position, develop more effective strategies, understand key drivers of performance, and continue to build its business in the financial services
15 industry. The present invention allows an organization under study to assess its business performance across five crucial performance drivers. Unlike other benchmarking tools, which focus only on financial performance or specific functional areas, the present invention provides the organization with the ability to view all primary aspects of its business that affect your financial performance and how they
20 are interrelated.

The benefits of such a holistic approach to benchmarking as provided by the present invention are manifold. The present invention allows the benchmarking process to be broken down into a plurality of discrete "modules" to break-out relevant business performance data. For instance, in connection with
25 benchmarking analysis of a financial services organization, and in particular a credit card issuer, the present invention allows presentation of performance benchmarking broken into five discrete modules, relating respectively to portfolio management, cardholder satisfaction, risk management, operations and productivity, and overall financial performance of the issuer and its account portfolio. More specifically, in
30 such an example, the organization under benchmarking study would have the ability

to review and compare comprehensive and categorized benchmarking data of the following sorts:

Portfolio Management: A Comprehensive Picture of How The Organization's Portfolio Is Performing — The issuer may evaluate how its total

5 credit card portfolio performance compares to that of its peer group, specifically:

- How and Where The Portfolio Is Growing
- Domestic And International Spending Dynamics
- Acquisition Data — Such as Response and Activation Rates
- Product Life Cycle Data — Such as Attrition Rates, Active and
10 Dormant Accounts
- Payment Information — Including Credit Lines Outstanding, Revolving Balances, And Transaction Volume
- Merchant Category Data — Including Growth Rates and Electronic Commerce Information

15 **Cardholder Satisfaction: Customer Market Research to Assess**

Service Quality — The system can provide a common yardstick for measuring and comparing the level of cardholder satisfaction across several dimensions for participating benchmarked issuers. Additionally, the impact of cardholder satisfaction on portfolio performance, promotion strategies, and profitability can be studied with
20 this tool.

Risk Management: A Summary of Past, Present and Future Indicators — Allows comparison of the issuer's lagging (recoveries), current (charge-offs and bankruptcies) and future (delinquencies, credit bureau scores) risk indicators to the competition's.

25 **Operations: Costs and Productivity Measures** — Identify the strengths and weaknesses in issuer's operation by analyzing key cost components of the activity chain such as credit processing, cardholder servicing, transaction processing, billing and payments, and collections. Compare key underpinnings of productivity such as employee output measures, in-house production versus
30 outsourcing, and information services support.

Financial Performance: Detailed Information about the Bottom

Line — With a solid understanding of what is driving the other performance parameters, the issuer can obtain a detailed picture of how its revenue and expense categories compare to its peer group's – and develop a clear sense of the factors that will drive its future growth and profitability.

By giving an issuer a performance scorecard that is integrated across these five areas, the present invention helps the user identify the causal relationships between the key drivers; for example, the impact of cardholder satisfaction on attrition and, in turn, implications for building promotion and attrition strategies.

Thus, the present invention provides the most comprehensive pool of competitive data for benchmarking purposes. Unlike existing benchmarking tools that focus on best practices in one functional area, the present invention allows an organization to see how the multiple discrete performance drivers (in this case, the five crucial performance determinants outlined above) are interrelated.

The pooling of data from peer organizations and other industry participants is an important part of the present invention. While such peer and industry companies may be competitors, and thus under normal circumstances might hesitate to release detailed performance information to the benchmarking service provider, there are a variety of ways in which the provider of benchmarking services under the present invention will be able to obtain such data. First, some data are publicly available, such as the basic finance charge/interest rate applied by credit issuer. Second, many organizations are already members of larger service groups that provide marketing and other benefits to the member companies who in turn agree to supply the service group with various financial data.

For instance, in the credit card business, credit card issuers typically issue cards under the brand of a small number of corporations that have been established to create such credit card brands, and to facilitate the interchange of funds through branded credit and debit cards on a worldwide basis. As an example, MasterCard International Incorporated ("MasterCard") has established a world-recognized credit card brand under its MASTERCARD trademark. Hence, issuing banks join MasterCard's network and under such relationships MasterCard has access

to certain member bank account portfolio data. Thus, MasterCard could be a provider of benchmarking services under the present invention for some or all of its member issuer banks, and hence would be in a position to provide the needed peer group and industry comparative data (typically on an aggregated statistical basis, without the need to disclose the particular performance parameters of a particular member organization to the extent these are deemed sensitive or confidential).

To the extent that the provider of benchmarking services did not already have access to the necessary peer or industry group information, it is expected that a sufficient number of peer and industry companies would wish to obtain the clear benefits of knowing where they stand within their industry that they would voluntarily seek out benchmarking services and voluntarily provide access to their own performance data for use in the benchmarking database on an aggregate, confidential, and anonymous basis. It will be evident that the larger the proportion of industry participants whose performance parameters are available for analysis in the benchmarking process, the more accurate and useful will be the comparative benchmarking data as an indicator of where a particular organization stands with respect to its peers or other industry participants.

The present invention can be implemented in conjunction with standard business computer hardware and software and standard accounting data, as is likely possessed by most organizations that would seek benchmarking services. Data collection, analysis, and result distribution may likewise be by standard internet/World Wide Web protocols, thus allowing 24-hour-a-day accessibility of the benchmarking system, secured data transmission, and maximal interactivity while using off-the-shelf computing components.

BRIEF DESCRIPTION OF THE FIGURES

Referring to Figure 1, there is shown a conceptual diagram of the BA system comprising the five performance modules relating to, respectively, Portfolio, Risk Management, Financial Performance, Operations, and Cardholder Satisfaction.

Figures 2-6 are conceptual diagrams showing exemplary components of the sub-modules for each of the five performance modules.

DETAILED DESCRIPTION OF THE PREFERRED
EMBODIMENTS

Note that for purposes of simplicity the following embodiments are described in connection with a system for benchmarking of credit card portfolios of issuer banks, such benchmarking services being as may be provided by MasterCard under the trademark BenchMark Advantage™ (sometimes abbreviated herein as “BA”). Those of ordinary skill in the art will understand that the benchmarking system and method disclosed and claimed herein would also find use in evaluating the performance of a wide range of businesses and other organizations, including suppliers of financial services other than consumer credit cards (such as mortgage lenders, issuers of secured lines of credit, business lenders, etc.) as well as organizations beyond the financial services provision business, to the extent that such organizations generate performance parameters that may be analyzed by techniques such as those disclosed herein and compared to performance parameters of peer and analogous industry organizations. It will also be understood that while the embodiments described below contemplate a central membership organization performing benchmarking services for member credit issuers, the benchmarking services of the present invention could be performed by any individual or company having access to the appropriate performance parameters. Finally, although the below embodiments are described with relation to a fully computer-implemented system of gathering performance parameters, calculating performance, and distributing benchmarking analysis through online computer means, including public networks such as the internet and World Wide Web, the invention is not limited to such embodiments to the extent the relevant data could be gathered, analyzed, and disseminated through means other than online computer means.

The invention allows benchmarking of an organization's business performance across all major functional areas by utilizing an integrated and interactive scorecard of performance drivers on a quarterly basis, for example. Several features of the BenchMark embodiment maximize its functionality, and these features are described in the following paragraphs.

Integrated scorecard: This feature integrates data or performance measures from five (5) different functional areas (portfolio/marketing, risk management, financial performance, operations/productivity, and cardholder satisfaction) in order to provide views of all primary drivers of a firm's business. It places all the key cross-functional drivers in one integrated scorecard for easy and concise benchmarking/evaluation.

Market Research: This feature includes benchmarks that focus on identifying definitively the internal strengths and weaknesses of an organization relative to its competition and environment while providing the linkage to all the cross-functional drivers of performance.

Unique Delivery Vehicle Features: These features include online interactivity, such as: (a) data collection via internet: Users enter their own data online for four business functional areas (portfolio, risk, finance, and operations). Unique online data dictionary and help features built into tool to facilitate accurate and consistent reporting of benchmarking data; (b) customizable reports: Users can customize reports on-line, including an interactive integrated scorecard that links relative performance measures from all five functional areas unlike any other benchmarking tool; (c) BenchMark data that is downloadable and manipulable: Users can download into a convenient standard spreadsheet program (e.g., Microsoft Excel) benchmarking data in order to perform further data manipulation/analysis; and (d) online delivery of market research findings with a customizable SWOT (Strengths, Weaknesses Opportunities, Threats) scorecard: scorecard is supported by a unique set of drivers of customer satisfaction.

Total business approach features: The synergistic benefits of a unique online, interactive benchmarking vehicle that offers an integrated scorecard that links the relevant performance metrics of five different functional areas in order to aid in understanding of the drivers of total business performance provides a range of business vision and strategic decisionmaking data analysis not obtainable even by combining a plurality of single-parameter/single-area benchmarking techniques.

The factors and the data used in BA are aimed at providing a "holistic" view of an organization's performance vis a vis its peer group and the industry. The

data is weighed in proportion with the dominance of the participant within the industry; weighting being determined largely by sales or dollar volume. The benchmarking peer and industry averages reflect this weighting and therefore the industry performance averages reflect accurately the preponderance of the larger players in driving industry performance. Additionally, within the Customer Satisfaction Module, customer responses and satisfaction levels (which may be gathered either by the organization being benchmarked or the benchmarking service provider) are segmented along customer behavioral types. This segmented data is uniquely linked across to the resultant performance metrics in the Portfolio/Marketing Module and Risk Management Module to provide cross functional insights not available in any other benchmarking product.

In connection with the BA embodiment, a benchmarking provider (in this case, MasterCard) will collect functional data from its member credit card issuer banks which are participating in the benchmarking analysis on a quarterly basis. Data and information flow to and from MasterCard will be facilitated via secure internet protocols. This service is intended to be interactive in nature and members will be offered the capability to download or extract benchmarking data for their unique reporting and analytical needs. A set of user tools such as data definition and dictionary, email feedback and 1-800 support line will be established.

Output

The benchmarking service will cover five functional areas (Financial Performance, Portfolio, Risk Management, Operations, and Cardholder Satisfaction) while providing integration between key measures across all areas.

Members will be able to view their specific performance metrics against the average performance statistics of their peer group as well as the average performances of the entire system of participants. They will be offered several criteria to define their respective peer group.

A number of standard averages, performance ratios, and charts will be provided in order to show individual member performance versus peer group and overall system performance. For example:

--Historical trend graphs and pie charts will be shown for quick reference.

--High and low performance benchmarks vs. peer group will be highlighted.

5 --Where appropriate, data will be viewed as a percent of outstanding, as a percent of volume, and on a dollars per billed account basis.

10 --Components will be shown as a percentage of the whole they make up. For example, in the Risk Management module, each bucket of delinquency will be shown as a percentage of total delinquency. Each component of charge-offs (credit loss, bankruptcy, fraud, and other) will be shown as a percent of total charge-offs.

15 --Averages will be determined based on the data that is supplied, i.e. average credit limits; average payments; average ticket size.

What follows is a description of the various parameters that may be relevant to, and the various submodules that may be analyzed, with respect to each of the five performance modules.

20 **A. Portfolio Module**

Lifecycle Dynamics for Volume Statistics, Account Statistics, Credit Statistics and Payment Statistics

0-6 months – Accounts that have been on the books from 0 to 6 months.

25 **6-12 months** – Accounts that have been on the books from 6 to 12 months.

1-2 years – Accounts that have been on the books from 1 to 2 years.

2+ years – Accounts that have been on the books greater than 2 years.

5 **Customer Behavior – Revolver/Transactor Dynamics for Volume Statistics Account Statistics, Credit Statistics and Payment Statistics**

Revolver – Account that **has** incurred a finance charge in the final month of the quarter.

10 **Transactor** – Account that **has not** incurred a finance charge in the final month of the quarter.

Volume Statistics

Purchases (Count): The total number of transactions whereby goods and services were obtained using a credit, debit or pre-payment card.

15 **Purchases (Dollars):** The total dollar volume of transactions whereby goods and services were obtained using a credit, debit or pre-payment card.

Purchases, 0-6 months (Count): **Purchases (Count)**, as defined above, applied to accounts that have been on the books from 0 to 6 months.

Purchases, 0-6 months (Dollars): **Purchases (Dollars)**, as defined above, applied to accounts that have been on the books from 0 to 6 months.

20 **Purchases, 6-12 months (Count):** **Purchases (Count)**, as defined above, applied to accounts that have been on the books from 6 to 12 months.

Purchases, 6-12 months (Dollars): **Purchases (Dollars)**, as defined above, applied to accounts that have been on the books from 6 to 12 months.

25 **Purchases, 1-2 years (Count):** **Purchases (Count)**, as defined above, applied to accounts that have been on the books from 1 to 2 years.

Purchases, 1-2 years (Dollars): **Purchases (Dollars)**, as defined above, applied to accounts that have been on the books from 1 to 2 years.

Purchases, 2+ years (Count): **Purchases (Count)**, as defined above, applied to accounts that have been on the books greater than 2 years.

Purchases, 2+ years (Dollars): **Purchases (Dollars)**, as defined above, applied to accounts that have been on the books greater than 2 years.

Purchases, Revolver (Count): **Purchases (Count)**, as defined above, applied to accounts that *have* incurred a finance charge in the final month of the
5 quarter.

Purchases, Transactor (Dollars): **Purchases (Dollars)**, as defined above, applied to accounts that *have not* incurred a finance charge in the final month of the quarter.

Cash Disbursement, 0-6 months (Count): The total number of
10 transactions of all funds accessed by cardholders using their cards at in-branch locations, Automated Teller Machines/Cash Dispensers (ATMs/CDs), and through Balance Transfers by accounts that have been on the books for 0 to 6 months. Cash Disbursements can also be accessed by check, including third-party checks.

Cash Disbursement, 0-6 months (Dollars): The total dollar volume
15 of all funds accessed by cardholders using their cards at in-branch locations, Automated Teller Machines/Cash Dispensers (ATMs/CDs), and through Balance Transfers by accounts that have been on the books for 0 to 6 months. Cash Disbursements can also be accessed by check, including third-party checks.

Cash Disbursement, 6-12 months (Count): **Cash Disbursement**
20 (Count), as defined above, applied to accounts that have been on the books for 6 to 12 months.

Cash Disbursement, 6-12 months (Dollars): **Cash Disbursement**
(Dollars), as defined above, applied to accounts that have been on the books for 6 to 12 months.

Cash Disbursement, 1-2 years (Count): **Cash Disbursement**
25 (Count), as defined above, applied to accounts that have been on the books for 1 to 2 years.

Cash Disbursement, 1-2 years (Dollars): **Cash Disbursement**
(Dollars), as defined above, applied to accounts that have been on the books for 1 to 2
30 years.

Cash Disbursement, 2+ years (Count): Cash Disbursement

(Count), as defined above, applied to accounts that have been on the books for greater than 2 years.

Cash Disbursement, 2+ years (Dollars): Cash Disbursement

5 (Dollars), as defined above, applied to accounts that have been on the books for greater than 2 years.

Cash Disbursement, Revolver (Count): Cash Disbursement

(Count), as defined above, applied to accounts that *have* incurred a finance charge in the final month of the quarter.

10 **Cash Disbursement, Transactor (Dollars): Cash Disbursement**

(Dollars), as defined above, applied to accounts that *have not* incurred a finance charge in the final month of the quarter.

Balance Transfer (Count): The total number of transactions associated with balance transfers

15 **Balance Transfer (Dollars):** The total dollar amount associated with balance transfers.

Balance Transfer, 0-6 months (Count): Balance Transfer (Count), as defined above, applied to accounts that have been on the books for 0 to 6 months.

Balance Transfer, 0-6 months (Dollars): Balance Transfer
20 (Dollars), as defined above, applied to accounts that have been on the books for 0 to 6 months.

Balance Transfer, 6-12 months (Count): Balance Transfer (Count), as defined above, applied to accounts that have been on the books for 6 to 12 months.

Balance Transfer, 6-12 months (Dollars): Balance Transfer
25 (Dollars), as defined above, applied to accounts that have been on the books for 6 to 12 months.

Balance Transfer, 1-2 years (Count): Balance Transfer (Count), as defined above, applied to accounts that have been on the books for 1 to 2 years.

Balance Transfer, 1-2 years (Dollars): Balance Transfer (Dollars),
30 as defined above, applied to accounts that have been on the books for 1 to 2 years.

Balance Transfer, 2+ years (Count): **Balance Transfer (Count)**, as defined above, applied to accounts that have been on the books for greater than 2 years.

Balance Transfer, 2+years (Dollars): **Balance Transfer (Dollars)**, as
5 defined above, applied to accounts that have been on the books for greater than 2 years.

Balance Transfer, Revolver (Count): **Balance Transfer (Count)**, as defined above, applied to accounts that *have* incurred a finance charge in the final month of the quarter.

10 **Balance Transfer, Transactor (Dollars):** **Balance Transfer (Dollars)**, as defined above, applied to accounts that *have not* incurred a finance charge in the final month of the quarter

Outstandings (Count): The total number of accounts on which an amount was owed to the card issuers by their cardholders as of the last day of a given
15 period, including current and delinquent balances, but excluding balances written off as bad debts.

Outstandings (Dollars): The total dollar amount owed to the card issuers by their cardholders as of the last day of a given period, including current and delinquent balances, but excluding balances written off as bad debts.

20 **Outstandings, 0-6 months (Count):** **Outstandings (Count)**, as defined above, applied to accounts that have been on the books for 0 to 6 months.

Outstandings, 0-6 months (Dollars): **Outstandings (Dollars)**, as defined above, applied to accounts that have been on the books for 0 to 6 months.

Outstandings, 6-12 months (Count): **Outstandings (Count)**, as
25 defined above, applied to accounts that have been on the books for 6 to 12 months.

Outstandings, 6-12 months (Dollars): **Outstandings (Dollars)**, as defined above, applied to accounts that have been on the books for 6 to 12 months.

Outstandings, 1-2 years (Count): **Outstandings (Count)**, as defined above, applied to accounts that have been on the books for 1 to 2 years.

30 **Outstandings, 1-2 years (Dollars):** **Outstandings (Dollars)**, as defined above, applied to accounts that have been on the books for 1 to 2 years.

Outstandings, 2+ years (Count): Outstandings (Count), as defined above, applied to accounts that have been on the books for greater than 2 years.

Outstandings, 2+ years (Dollars): Outstandings (Dollars), as defined above, applied to accounts that have been on the books for greater than 2
5 years.

Account Statistics

Active Accounts: Accounts that have had at least one transaction within the last six months (including cardholders that have received statements and/or instances where they are trying to pay off debt).

10 **Active Accounts, 0-6 months: Active Accounts**, as defined above, applied to accounts that have been on the books for 0 to 6 months.

Active Accounts, 6-12 months: Active Accounts, as defined above, applied to accounts that have been on the books for 6 to 12 months.

15 **Active Accounts, 1-2 years: Active Accounts**, as defined above, applied to accounts that have been on the books for 1 to 2 years.

Active Accounts, 2+ years: Active Accounts, as defined above, applied to accounts that have been on the books for greater than 2 years.

Active Accounts, Revolver: Active Accounts, as defined above, applied to accounts that have incurred a finance charge in the final month of the
20 quarter.

Active Accounts, Transactor: Active Accounts, as defined above, applied to accounts that have not incurred a finance charge in the final month of the quarter.

25 **New Accounts:** Number of new accounts opened. (Excludes Portfolio Acquisitions).

Open to Buy Active: Accounts with open to buy status that have had at least one transaction within the last six months.

Open to Buy Active, 0-6 months: Open to Buy Active, as defined above, applied to accounts that have been on the books for 0 to 6 months.

30 **Open to Buy Active, 6-12 months: Open to Buy Active**, as defined above, applied to accounts that have been on the books for 6 to 12 months.

Open to Buy Active, 1-2 years: **Open to Buy Active**, as defined above, applied to accounts that have been on the books for 1 to 2 years.

Open to Buy Active, 2+ years: **Open to Buy Active**, as defined above, applied to accounts that *have* been on the books for greater than 2 years.

5 **Open to Buy Active, Revolver:** **Open to Buy Active**, as defined above, applied to accounts that *have* incurred a finance charge in the final month of the quarter.

10 **Open to Buy Active, Transactor:** **Open to Buy Active**, as defined above, applied to accounts that *have not* incurred a finance charge in the final month of the quarter.

Open to Buy Inactive: Accounts with open to buy status that have not had at least one transaction within the last six months.

Open to Buy Inactive, 0-6 months: **Open to Buy Inactive**, as defined above, applied to accounts that have been on the books for 0 to 6 months.

15 **Open to Buy Inactive, 6-12 months:** **Open to Buy Inactive**, as defined above, applied to accounts that have been on the books for 0 to 6 months.

Open to Buy Inactive, 1-2 years: **Open to Buy Inactive**, as defined above, applied to accounts that have been on the books for 0 to 6 months.

20 **Open to Buy Inactive, 2+ years:** **Open to Buy Inactive**, as defined above, applied to accounts that have been on the books for 0 to 6 months.

Open to Buy Inactive, Revolver: **Open to Buy Inactive**, as defined above, applied to accounts that *have* incurred a finance charge in the final month of the quarter.

25 **Open to Buy Inactive, Transactor:** **Open to Buy Inactive**, as defined above, applied to accounts that have not incurred a finance charge in the final month of the quarter

30 **Attrited Involuntary:** Number of accounts terminated by the Issuer due to bankruptcy, death or negative cardholder behavior, excluding accounts that are closed but have been replaced with new accounts (e.g., lost/stolen card, upgrades, changes of billing cycle).

Attrited Involuntary, 0-6 months: Attrited Involuntary, as defined above, applied to accounts that have been on the books for 0 to 6 months.

Attrited Involuntary, 6-12 months: Attrited Involuntary, as defined above, applied to accounts that have been on the books for 6 to 12 months.

5 **Attrited Involuntary, 1-2 years:** Attrited Involuntary, as defined above, applied to accounts that have been on the books for 1 to 2 years.

Attrited Involuntary, 2+ years: Attrited Involuntary, as defined above, applied to accounts that have been on the books for greater than 2 years.

Attrited Involuntary, Revolver: Attrited Involuntary, as defined
10 above, applied to accounts that *have* incurred a finance charge in the final month of the quarter.

Attrited Involuntary, Transactor: Attrited Involuntary, as defined above, applied to accounts that *have not* incurred a finance charge in the final month of the quarter.

15 **Attrited Voluntary:** The number of accounts closed at the request of the cardholder, excluding accounts that are closed but have been replaced with new accounts (e.g., lost/stolen card, upgrades, changes of billing cycle).

Attrited Voluntary, 0-6 months: Attrited Voluntary, as defined above, applied to accounts that have been on the books for 0 to 6 months.

20 **Attrited Voluntary, 6-12 months:** Attrited Voluntary, as defined above, applied to accounts that have been on the books for 6 to 12 months.

Attrited Voluntary, 1-2 years: Attrited Voluntary, as defined above, applied to accounts that have been on the books for 1 to 2 years.

Attrited Voluntary, 2+ years: Attrited Voluntary, as defined above,
25 applied to accounts that have been on the books for greater than 2 years.

Attrited Voluntary, Revolver: Attrited Voluntary, as defined above, applied to accounts that *have* incurred a finance charge in the final month of the quarter.

Attrited Voluntary, Transactor: Attrited Voluntary, as defined
30 above, applied to accounts that have not incurred a finance charge in the final month of the quarter.

Credit Statistics

Credit Line Open Basis (Count): The number of all open accounts at the end of the quarter including all active/inactive accounts.

5 **Credit Line Open Basis (Dollars):** The contingent liability (total credit line) of all open accounts at the end of the quarter including all active/inactive accounts.

Credit Line Open Basis, 0-6 months (Count): **Credit Line Open Basis (Count)**, as defined above, applied to accounts that have been on the books for 0 to 6 months.

10 **Credit Line Open Basis, 0-6 months (Dollars):** **Credit Line Open Basis (Dollars)**, as defined above, applied to accounts that have been on the books for 0 to 6 months.

Credit Line Open Basis, 6-12 months (Count): **Credit Line Open Basis (Count)**, as defined above, applied to accounts that have been on the books for 6 to 12 months.

15 **Credit Line Open Basis, 6-12 months (Dollars):** **Credit Line Open Basis (Dollars)**, as defined above, applied to accounts that have been on the books for 6 to 12 months.

Credit Line Open Basis, 1-2 years (Count): **Credit Line Open Basis (Count)**, as defined above, applied to accounts that have been on the books for 1 to 2 years.

20 **Credit Line Open Basis, 1-2 years (Dollars):** **Credit Line Open Basis (Dollars)**, as defined above, applied to accounts that have been on the books for 1 to 2 years.

25 **Credit Line Open Basis, 2+ years (Count):** **Credit Line Open Basis (Count)**, as defined above, applied to accounts that have been on the books for greater than 2 years.

30 **Credit Line Open Basis, 2+ years (Dollars):** **Credit Line Open Basis (Dollars)**, as defined above, applied to accounts that have been on the books for greater than 2 years.

Credit Line Open Basis, Revolver (Count): Credit Line Open Basis (Count), as defined above, applied to accounts that *have* incurred a finance charge in the final month of the quarter.

Credit Line Open Basis, Revolver (Dollars): Credit Line Open Basis (Dollars), as defined above, applied to accounts that *have* incurred a finance charge in the final month of the quarter.

Credit Line Open Basis, Transactor (Count): Credit Line Open Basis (Count), as defined above, applied to accounts that *have not* incurred a finance charge in the final month of the quarter.

Credit Line Open Basis, Transactor (Dollars): Credit Line Open Basis (Dollars), as defined above, applied to accounts that have not incurred a finance charge in the final month of the quarter.

Payment Statistics

Payments: Dollar volume of payments to the card issuer for goods, services or Cash Disbursements made using a credit card. (Total amount of payment made by the cardholder, includes all cash received and credited.)

Payments, 0-6 months: Payments, as defined above, applied to accounts that have been on the books for 0 to 6 months.

Payments, 6-12 months: Payments, as defined above, applied to accounts that have been on the books for 6 to 12 months.

Payments, 1-2 years: Payments, as defined above, applied to accounts that have been on the books for 1 to 2 years.

Payments, 2+ years: Payments, as defined above, applied to accounts that have been on the books greater than 2 years.

Payments, Revolver: Payments, as defined above, applied to accounts that *have* incurred a finance charge in the final month of the quarter.

Payments, Transactor: Payments, as defined above, applied to accounts that *have not* incurred a finance charge in the final month of the quarter.

Balance Subject to Finance Charges: Dollar value of outstandings on which finance charges have been assessed.

New Account Acquisitions

Mail - Pre Approved (Solicitations): The number of pre-approved solicitations for credit cards sent by mail.

Mail - Pre Approved (Responses): The number of responses received
5 from "Mail - Pre Approved" solicitations.

Mail - Pre Approved (Approvals): The number of applications approved for which an account has been opened from "Mail - Pre Approved" responses.

Mail - Pre Approved (Activated): The number of new accounts
10 activated by "Mail - Pre Approved" approvals.

Mail -ITA (Solicitations): The number of invitation to apply solicitations for credit cards sent by mail.

Mail - ITA (Responses): The number of responses received from
"Mail - ITA" solicitations.

Mail - ITA (Approvals): The number of applications approved for
15 which an account has been opened from "Mail - ITA" responses.

Mail -ITA (Activated): The number of new accounts activated by
"Mail -ITA" approvals.

Take Ones (Responses): The number of applications received via
20 brochures, flyers, or postcards.

Take Ones (Approvals): The number of applications approved for
which an account has been opened from "Take-Ones" responses.

Take Ones (Activated): The number of new accounts activated by
"Take-Ones" approvals.

Branch (Responses): The number of applications received from bank
25 branches.

Branch (Approvals): The number of applications approved for which
an account has been opened from "Branch" responses.

Branch (Activated): The number of new accounts activated by
30 "Branch" approvals.

Other Acquisitions (Solicitations): The number of solicitations for credit cards mailed other than “Mail - Pre Approved”, “Mail - ITA”, “Take Ones”, “Branch”, or “Telemarketing” solicitations.

Other Acquisitions (Responses): The number of responses received
5 from “Other Acquisitions” solicitations.

Other Acquisitions (Approvals): The number of applications approved for which an account has been opened from “Other Acquisitions” responses.

Other Acquisitions (Activated): The number of new accounts activated by “Other Acquisitions” approvals.

10 **Other Acquisitions (Contacts):** The number of contacts made through “Other Acquisitions”.

Telemarketing Statistics

Telemarketing (Total Hours): The total number of outbound telemarketing hours.

15 **Telemarketing (Total Applications):** The number of telemarketing solicitations made via telephone.

Telemarketing (Approvals): The number of applications approved for which an account has been opened from “Telemarketing (Total Applications)”.

Merchant Category/MCC

20 **Merchant Classification Code (Count): Purchases (Count)** as defined above, detailed by Merchant Classification Code category.

Merchant Classification Code (Dollars): Purchases (Dollars) as defined above, detailed by Merchant Classification Code category.

25 **Merchant Classification Code (Interchange \$'s): Interchange - Incoming Issuing**, as defined within the Financial Module, detailed by Merchant Classification Code category.

Airlines (Count): Purchases (Count) as defined above, detailed by “Airlines” category.

30 **Airlines (Dollars): Purchases (Dollars)** as defined above, detailed by “Airlines” category.

Airlines (Interchange \$'s): Purchases (Dollars) as defined above, detailed by "Airlines" category.

Auto Rental (Count): Purchases (Count) as defined above, detailed by "Auto Rental" category.

5 **Auto Rental (Dollars): Purchases (Dollars)** as defined above, detailed by "Auto Rental" category.

Auto Rental (Interchange \$'s): Purchases (Dollars) as defined above, detailed by "Auto Rental" category.

10 **Hotel/Motels (Count): Purchases (Count)** as defined above, detailed by "Hotel/Motels" category.

Hotel/Motels (Dollars): Purchases (Dollars) as defined above, detailed by "Hotel/Motels" category.

Hotel/Motels (Interchange \$'s): Purchases (Dollars) as defined above, detailed by "Hotel/Motels" category.

15 **Restaurants/Bars (Count): Purchases (Count)** as defined above, detailed by "Restaurants/Bars" category.

Restaurants/Bars (Dollars): Purchases (Dollars) as defined above, detailed by "Restaurants/Bars" category.

20 **Restaurants/Bars (Interchange \$'s): Purchases (Dollars)** as defined above, detailed by "Restaurants/Bars" category.

Travel Agencies (Count): Purchases (Count) as defined above, detailed by "Travel Agencies" category.

Travel Agencies (Dollars): Purchases (Dollars) as defined above, detailed by "Travel Agencies" category.

25 **Travel Agencies (Interchange \$'s): Purchases (Dollars)** as defined above, detailed by "Travel Agencies" category.

Other Transportation (Count): Purchases (Count) as defined above, detailed by "Other Transportation" category.

30 **Other Transportation (Dollars): Purchases (Dollars)** as defined above, detailed by "Other Transportation" category.

Other Transportation (Interchange \$'s): Purchases (Dollars) as defined above, detailed by "Other Transportation" category.

Department Stores (Count): Purchases (Count) as defined above, detailed by "Department Stores" category.

5 **Department Stores (Dollars): Purchases (Dollars)** as defined above, detailed by "Department Stores" category.

Department Stores (Interchange \$'s): Purchases (Dollars) as defined above, detailed by "Department Stores" category.

10 **Discount Stores (Count): Purchases (Count)** as defined above, detailed by "Discount Stores" category.

Discount Stores (Dollars): Purchases (Dollars) as defined above, detailed by "Discount Stores" category.

Discount Stores (Interchange \$'s): Purchases (Dollars) as defined above, detailed by "Discount Stores" category.

15 **Clothing Stores (Count): Purchases (Count)** as defined above, detailed by "Clothing Stores" category.

Clothing Stores (Dollars) : Purchases (Dollars) as defined above, detailed by "Clothing Stores" category.

20 **Clothing Stores (Interchange \$'s): Purchases (Dollars)** as defined above, detailed by "Clothing Stores" category.

Hardware Stores (Count): Purchases (Count) as defined above, detailed by "Hardware Stores" category.

Hardware Stores (Dollars): Purchases (Dollars) as defined above, detailed by "Hardware Stores" category.

25 **Hardware Stores (Interchange \$'s): Purchases (Dollars)** as defined above, detailed by "Hardware Stores" category.

Drug Stores (Count): Purchases (Count) as defined above, detailed by "Drug Stores" category.

30 **Drug Stores (Dollars): Purchases (Dollars)** as defined above, detailed by "Drug Stores" category.

Drug Stores (Interchange \$'s): Purchases (Dollars) as defined above, detailed by "Drug Stores" category.

Gas Stations (Count): Purchases (Count) as defined above, detailed by "Gas Stations" category.

5 **Gas Stations (Dollars): Purchases (Dollars)** as defined above, detailed by "Gas Stations" category.

Gas Stations (Interchange \$'s): Purchases (Dollars) as defined above, detailed by "Gas Stations" category.

10 **Mail Order (Count): Purchases (Count)** as defined above, detailed by "Mail Order" category.

Mail Order (Dollars): Purchases (Dollars) as defined above, detailed by "Mail Order" category.

Mail Order (Interchange \$'s): Purchases (Dollars) as defined above, detailed by "Mail Order" category.

15 **Food Stores/Warehouse (Count): Purchases (Count)** as defined above, detailed by "Food Stores/Warehouse" category.

Food Stores/Warehouse (Dollars): Purchases (Dollars) as defined above, detailed by "Food Stores/Warehouse" category.

20 **Food Stores/Warehouse (Interchange \$'s): Purchases (Dollars)** as defined above, detailed by "Food Stores Warehouse" category.

Vehicles (Count): Purchases (Count) as defined above, detailed by "Vehicles" category.

Vehicles (Dollars): Purchases (Dollars) as defined above, detailed by "Vehicles" category.

25 **Vehicles (Interchange \$'s): Purchases (Dollars)** as defined above, detailed by "Vehicles" category.

Interior Furnishings Stores (Count): Purchases (Count) as defined above, detailed by "Interior Furnishings Stores" category.

30 **Interior Furnishings Stores (Dollars): Purchases (Dollars)** as defined above, detailed by "Interior Furnishings Stores" category.

Interior Furnishings Stores (Interchange \$'s): Purchases (Dollars) as defined above, detailed by "Interior Furnishings Stores" category.

Electronic Appliance Stores (Count): Purchases (Count) as defined above, detailed by "Electronic Appliance Stores" category.

5 **Electronic Appliance Stores (Dollars): Purchases (Dollars)** as defined above, detailed by "Electronic Appliance Stores" category.

Electronic Appliance Stores (Interchange \$'s): Purchases (Dollars) as defined above, detailed by "Electronic Appliance Stores" category.

10 **Sporting Goods/Toy Stores (Count): Purchases (Count)** as defined above, detailed by "Sporting Goods/Toy Stores" category.

Sporting Goods/Toy Stores (Dollars): Purchases (Dollars) as defined above, detailed by "Sporting Goods/Toy Stores" category.

Sporting Goods/Toy Stores (Interchange \$'s): Purchases (Dollars) as defined above, detailed by "Sporting Goods/Toy Stores" category.

15 **Other Retail (Count): Purchases (Count)** as defined above, detailed by "Other Retail" category.

Other Retail (Dollars): Purchases (Dollars) as defined above, detailed by "Other Retail" category.

20 **Other Retail (Interchange \$'s): Purchases (Dollars)** as defined above, detailed by "Other Retail" category.

Recreation (Count): Purchases (Count) as defined above, detailed by "Recreation" category.

Recreation (Dollars): Purchases (Dollars) as defined above, detailed by "Recreation" category.

25 **Recreation (Interchange \$'s): Purchases (Dollars)** as defined above, detailed by "Recreation" category.

Education (Count): Purchases (Count) as defined above, detailed by "Education" category.

30 **Education (Dollars): Purchases (Dollars)** as defined above, detailed by "Education" category.

Education (Interchange \$'s): Purchases (Dollars) as defined above, detailed by "Education" category.

Utilities (Count): Purchases (Count) as defined above, detailed by "Utilities" category.

5 **Utilities (Dollars): Purchases (Dollars)** as defined above, detailed by "Utilities" category.

Utilities (Interchange \$'s): Purchases (Dollars) as defined above, detailed by "Utilities" category.

10 **Professional Services (Count): Purchases (Count)** as defined above, detailed by "Professional Services" category.

Professional Services (Dollars): Purchases (Dollars) as defined above, detailed by "Professional Services" category.

Professional Services (Interchange \$'s): Purchases (Dollars) as defined above, detailed by "Professional Services" category.

15 **Repair Shops (Count): Purchases (Count)** as defined above, detailed by "Repair Shops" category.

Repair Shops (Dollars): Purchases (Dollars) as defined above, detailed by "Repair Shops" category.

20 **Repair Shops (Interchange \$'s): Purchases (Dollars)** as defined above, detailed by "Repair Shops" category.

Other Services (Count): Purchases (Count) as defined above, detailed by "Other Services" category.

Other Services (Dollars): Purchases (Dollars) as defined above, detailed by "Other Services" category.

25 **Other Services (Interchange \$'s): Purchases (Dollars)** as defined above, detailed by "Other Services" category.

Quasi Cash (Count): Purchases (Count) as defined above, detailed by "Quasi Cash" category.

30 **Quasi Cash (Dollars): Purchases (Dollars)** as defined above, detailed by "Quasi Cash" category.

Quasi Cash (Interchange \$'s): **Purchases** (Dollars) as defined above, detailed by "Quasi Cash" category.

B. Risk Management Module

5	< 30 Days #:	Total number of accounts with a balance, with one of two payments past due.
	< 30 Days \$:	Total dollar value of accounts with a balance, with one of two payments past due.
	30-59 #:	Total number of accounts with a balance, with two of three payments past due.
10	30-59 \$:	Total dollar value of accounts with a balance, with two of three payments past due.
	60-89 #:	Total number of accounts with a balance, with three of four payments past due.
15	60-89 \$:	Total dollar value of accounts with a balance, with three of four payments past due.
	90-119 #:	Total number of accounts with a balance, with four of five payments past due.
	90-119 \$:	Total dollar value of accounts with a balance, with four of five payments past due.
20	120+ #:	Total number of accounts with a balance, with five of six payments past due.
	120+ \$:	Total dollar value of accounts with a balance, with five of six payments past due.

Bankruptcy Count - Chapter 13: Number of filings due to bankruptcy through the reorganization of debt (Chapter 13).

Bankruptcy Count - Chapter 7: Number of filings due to bankruptcy through the discharge of all debt (Chapter 7).

Bankruptcy Dollars - Chapter 13: Dollar volume of filings due to bankruptcy through the reorganization of debt (Chapter 13).

Bankruptcy Dollars - Chapter 7: Dollar volume of filings due to bankruptcy through the discharge of all debt (Chapter 7).

Bankruptcy Recoveries Count: Number of non-fraud recoveries associated with bankruptcy charge-offs (not net of expenses).

Bankruptcy Recoveries Dollars: Dollar volume of non-fraud recoveries associated with bankruptcy charge-offs (not net of expenses).

5 **Credit Bureau Score** -FICO score of all open accounts (to be provided in five point FICO bans).

Credit Loss Count: Number of non-fraud credit charge-offs (including bankruptcy charge-offs and sale of delinquent accounts, not net of expenses).

10 **Credit Loss Dollars:** Dollar volume of non-fraud credit charge-offs (including bankruptcy charge-offs and sale of delinquent accounts, not net of expenses).

Credit Recoveries Count: Number of non-fraud credit recoveries (including bankruptcy recoveries and sale of delinquent accounts, not net of expenses).

15 **Credit Recoveries Dollars:** Dollar value of non-fraud credit recoveries (including bankruptcy recoveries and sale of delinquent accounts, not net of expenses).

20 **Current #:** Total number of accounts with a balance, excluding accounts in 5+ day delinquency buckets.

Current \$: Total dollar value of accounts with a balance, excluding accounts in 5+ day delinquency buckets.

25 **Delinquencies:** Total balances that are overdue according to standards set by the issuer (frequently, 30 days or more overdue, from the date payment was due).

Fraud Loss Count - Counterfeit: Number of transactions generated by a counterfeit card or counterfeit convenience check.

Fraud Loss Count - Fraudulent Application: Number of transactions occurring on an account issued on the basis of a fraudulent application.

Fraud Loss Count - Lost/Stolen: Number of transactions occurring on an account for which the card or convenience check was reported lost or stolen by the cardholder.

5 **Fraud Loss Count - MOTO:** Number of fraudulent uses of an account number in which the card is not physically present (e.g., Telemarketing Fraud Activity or non-imprinted paper).

Fraud Loss Count- NRI (never received issue): Number of transactions occurring on a new or replacement account for which the cardholder has claimed the card or convenience check was not received.

10 **Fraud Loss Count - Other Fraud:** Number of fraudulent transactions occurring on an account by some means other than from NRI, MOTO, Counterfeit, Lost/Stolen, Fraudulent Application, Other Fraud.

Fraud Loss Dollars - Counterfeit: Dollar volume of transactions generated by a counterfeit card or counterfeit convenience check.

15 **Fraud Loss Dollars - Fraudulent Application:** Dollar volume of transactions occurring on an account issued on the basis of a fraudulent application.

Fraud Loss Dollars - Lost/Stolen: Dollar volume of transactions occurring on an account for which the card or convenience check was reported lost or stolen by the cardholder.

20 **Fraud Loss Dollars - MOTO:** Dollar volume of fraudulent uses of an account number in which the card is not physically present (e.g., Telemarketing Fraud Activity or non-imprinted paper).

Fraud Loss Dollars - NRI: Dollar volume of transactions occurring on a new or replacement account for which the cardholder has claimed the card or
25 convenience check was not received.

Fraud Loss Dollars - Other Fraud: Dollar volume of fraudulent transactions occurring on an account by some means other than from NRI, MOTO, Counterfeit, Lost/Stolen, Fraudulent Application, Other Fraud.

Fraud Recoveries Count: Number of recoveries associated with
30 fraudulent charge-offs.

Fraud Recoveries Dollars: Dollar volume of recoveries associated with fraudulent charge-offs.

Other Recoveries Count: The number of recoveries from charge-offs other than those associated with credit, bankruptcy or fraud charge-offs, or post
5 charge-off sales.

Other Recoveries Dollars: The dollar volume of recoveries from charge-offs other than those associated with credit, bankruptcy or fraud charge-offs, or post charge-off sales.

Post Charge-off Sales Count: The number of recoveries from
10 charge-offs after those charged-off accounts had been sold to an external collection agency.

Post Charge-off Sales Dollars: The dollar volume of recoveries from charge-offs after those charged-off accounts had been sold to an external collection agency.

Recoveries - Bankruptcies: Collection of an account receivable that
15 has been written off as a bad debt for bankruptcy classification.

Recoveries - Credit: Collection of an account receivable that has been written off as a bad debt (credit loss only) credit loss classification.

Recoveries - Fraud: Collection of an account receivable that has been
20 written off as a bad debt for fraud classification.

Recoveries - Other: Collection of an account receivable that has been written off as a bad debt for other loss classification.

C. Financial Module

Revenue - Gross

Interest – Net Billed: Net revenue derived from the interest received
25 excluding reversals and adjustments. (Report *billed* monthly charges to cardholders less interest reversals for charge-offs and customer adjustments.)

Rebates (Interest – Net Billed): Rebates or refunds of net interest billed to cardholders.

Interchange – Net

Interchange – Incoming Issuing: Revenue derived from interchange fees received. (The issuer reimbursement fees received on incoming interchange retail sales items (transactions between your cardholders and merchants signed by another member). Cash disbursement interchange fees paid to other members on incoming cash items for your cardholders should not be subtracted from this amount; these cash fees should be reported as Interchange Fees Paid on Cash Disbursement Dollars.)

Interchange – Outgoing Cash Disbursements: Expense resulting from the interchange fees paid on cash advances. (Cash disbursement interchange fees paid to other members on incoming cash items of your cardholders.)

Fee Dollars

Fees – Annual (FAS Adjusted): Revenue derived from annual fees received. (Periodic charges for services, other than finance charges. This caption reports annual fee revenue over a twelve-month period for accounts or cards.)

Fees – Annual (Non-FAS Adjusted): Revenue derived from annual fees received. Non-FAS Adjusted. (Periodic charges for services, other than finance charges. This caption reports annual fee revenue in the month that it is received.)

Fees – Cash Disbursement: Revenue derived from cash advance fees received. (Charges billed to issuers/cardholder accounts plus revenue transactions completed on out of network ATM and/or ATM fees for withdrawal of funds.)

Fees – Late: Revenue derived from late payment fees received. (Charges billed to cardholder accounts for payments past due.)

Fees – Over limit: Revenue derived from over limit fees received. (Charges billed to cardholder accounts for over limit balances.)

Fees – Insufficient Fund: Revenue derived from insufficient fund fees received. (Charges billed to cardholder accounts for NSF (non-sufficient funds) payments.)

Fees Miscellaneous: Revenue derived from sources other than cash advance fees, late payment fees, over limit fees, insufficient funds fees and foreign exchange fees received including other fees (Rebate & Partnership).

Other Revenue Dollars

Other – Merchandising: Revenue derived from merchandising fees received.

5 **Other – Insurance Revenue (credit only):** Revenue derived from credit insurance received. Report value in the actual quarter received. (Credit Life Insurance Revenue)

Other – Miscellaneous: Revenue derived from sources other than merchandising revenue, insurance revenue (other than credit insurance). (Income not meeting any of the specific income descriptions on the income and expense report,
10 including such items as cash overages, credit life insurance revenue, premium from sale of credit card portfolio, investment income).

Revenue on Lost Accounts

Interest – On Lost Accounts: Interest Reversals for charge-offs and customer waivers against delinquent accounts.

15 **Fees – On Lost Accounts –** Fee reversals for charge-offs and customer adjustments.

Expenses - Gross

Cost of Funds: Cost of funding Average Outstanding. (An internally generated bank charge for funds employed by the bankcard department.)

20 **All Indirect Expenses:** Support function related costs including corporate allocations and overhead.

D. Operations Module

Operating – Servicing – Activities associated with responding to all cardholder inquiries and requests other than those related to fraud, credit decisions,
25 collections, marketing and promotion and retention activities.

Operating – Transaction Processing – Activities associated with processing cardholder authorization inquiries and/or settlement.

Operating – Billing & Payments – Activities associated with the preparation and mailing of billing statements to cardholders and with processing
30 cardholder payment remittances and checks.

Operating – Collections – Activities associated with the collection of balances outstanding on delinquent and charged-offs accounts and working over limit accounts.

5 **Operating – Credit Processing** – Operational activities associated with the acquisition of new cardholder accounts from receipt of application to account establishment and notification of approval or rejection.

10 **Operating – Other** – Operational activities associated with the Servicing, Transaction Processing, Billing & Payments, Collections and Credit Processing aspects of the credit card operations, such as Credit Maintenance, Card Issuing, Promotion and Retention, Issuer Fraud Management and Issuer Center Administration.

Marketing

Marketing – New Account Acquisition – Marketing activities associated with the acquisition of applications for new cardholder accounts.

15 **Marketing – Promotion and Retention:** Expenses associated with developing and implementing cardholder activation, usage and retention programs excluding customer service, but including telemarketing costs.

Marketing – Other: Marketing expenses not included in the New Account Acquisition, Promotion and Retention and Media Advertising classifications.

20 **Losses**

Losses – Fraud: Losses resulting from total write offs generated by lost, stolen and application fraud activities stemming from fraudulent activity (excluding recoveries).

25 **Losses – Credit:** Losses resulting from total write offs **excluding** charge-offs due to personal bankruptcies – Chapter 7, 11, 12 and 13 fraud losses.

Losses – Bankruptcies: Losses resulting from bankruptcies. (Total Charge-offs due to personal bankruptcies – Chapter 7, 11, 12 and 13).

Losses – Gross Recoveries: Collection of an account receivable that has been written off.

30 **Losses – Gross Recoveries – Agency Expenses:** Collection agency expenses incurred in the collection of an account receivable that has been written off.

Losses – Other: Losses resulting from losses other than credit, fraud & bankruptcies.

E. Cardholder Satisfaction Module

Research Approach

5 For each member, a total of 500 randomly selected telephone interviews will be conducted among cardholders. Respondents will be segmented as follows:

- Half will be Revolvers (carried a balance in the past 3 months); the other half will be Transactors.

10 All respondents will meet the following criteria:

- Active cardmembers (i.e., have used the card or carried a balance in the past 3 months)
- Cardmember for at least one year

15 Interviewing will be conducted on an on-going basis in order to control seasonal fluctuation. The results would be tallied by MasterCard and reported back to our participating members.

Benchmarks

Satisfaction questions

- Overall satisfaction
- 20 • Overall expectations
- Reasons for expectations rating

Loyalty Questions

- Likelihood to recommend to a friend
- More / Same / Fewer reasons to use card vs. other cards
- 25 • Reason for more / same / fewer usage
- Likelihood to keep card
- Card preference (card most likely to use)
- % of past month usage

Attribute ratings (Importance and Delivery)

- 30 • Account Terms:

- Offering an annual percentage rate competitive with other card issuers
- Charging annual fee competitive with other card issuers
- 5 - Charging late fees or over-limit fees competitive with other card issuers
- Offering a grace period, that is, the period of time in which you can make a payment without incurring interest or penalties, competitive with
- 10 - Providing a credit line that meets cardholder needs
- Statement / Account Information:
 - Providing an easy to understand monthly statement.
 - 15 - The timeliness of posting account information, such as transactions and payments.
 - The accuracy of posting account information, such as transactions and payments.
 - 20 - Ease of obtaining credits or adjustments to cardholder account.
- Transaction Site:
 - Giving cardholder confidence the card will work every time they need to use it.
 - 25 - The speed of transaction authorization.
- Issuer Imagery:
 - Card offered by a reputable financial institution.
- Customer Services:
 - Offering customer service 24 hours a day/seven
 - 30 - days a week.
 - Offering a toll-free customer service number.

- The ability to access a live customer service representative when needed.
- The ability to access account information when needed.
- 5 - Technology.
- Providing a computerized telephone system with a menu that is easy to use.
- Offering up-to-date technological capabilities such as computerized telephone access or the
- 10 ability to access account information online via the internet.
- Security:
 - The ease of replacing a lost or stolen card.
 - Providing adequate fraud protection.
- 15 • Products / Services:
 - Offering products or services that meet cardholder needs.
 - Offering a rewards program that meets cardholder needs.
- 20 - Offering valuable additional products through statement inserts and sales calls.

Reason for failing on attribute delivery**Call center contact**

- Live or automated call center contact
- 25 • Satisfaction with contact
- Call center attribute ratings

Card Usage Questions

- # of cards in wallet

Cross Selling

- 30 • Other relationships with issuer (i.e., mortgage, investments, accounts, etc.)

Demographics

- Age
- Gender
- Employment
- 5 • Household size
- Household income
- Education
- Marital status
- Ethnicity
- 10 • Internet usage
- Zip code

Research Findings

The findings from the research will include reports covering the following:

15 **Overall Assessment:**

- Satisfaction index
- Loyalty segments (% of Loyalists, % of At-Risk and % of Exit-Bound in portfolio)

Benchmarks:

- 20 • Satisfaction benchmarks
- Loyalty benchmarks
- Attribute benchmarks
- Credit Card Usage
- Demographics

25 **Quadrant Charting:**

- Importance vs. Delivery

SWOT Scorecard:

- Customizable scorecard covering Strengths — Weaknesses — Opportunities — Threats
- 30 • Key leverageable areas for further increased satisfaction

- Key areas of customer dissatisfaction

With respect to each of the parameters discussed in relation to the above five performance modules, it is desirable that similar or identical data categories be sampled from each organization forming the peer group or industry such that comparative analysis of performance amongst benchmarking study participants may be most uniformly made.

A variety of known accounting and business analysis calculations may be applied to process the various inputs and outputs of the benchmarking process. For example, generally accepted accounting practice (GAAP) provides known methods for calculating profitability, present value, etc. Other analytic techniques may be applied on an as-needed basis. Computer processing of financial data allows a wide variety of financial analyses, comparisons, and projections, as are known in the art and may be implemented for specific analytic needs.

For example, in connection with the Portfolio module, it may be desirable to calculate and supply data regarding the growth rates or period-on-period ratios for various components of the account portfolio. Such statistics may readily be derived by taking into account the following parameters:

(a) change in Ticket (i.e., Purchase) Size: determine (Current Period Gross Dollar Volume/1)-(Prior Period Gross Dollar Volume/Prior Period Transactions) x Current Period Transactions

Then to Establish the Ratio:

Change in Ticket Size/(Change In Accounts + Change In Usage + Change in Ticket Size)

(b) Change In Usage: determine ((Current Period Transactions/Current Period Accounts) - (Prior Period Transactions/Prior Period Accounts)) x Prior Period Accounts x (Prior Period Gross Dollar Volume/Prior Period Transactions)

Then to Establish the Ratio:

Change in Usage/Sum of (Change In Accounts + Change In Usage + Change in Ticket Size)

(c) Change In Accounts: determine (Current Period Accounts - Prior Period Accounts) * (Current Period Transactions/Current Period Accounts)* (Prior Period Gross Dollar Volume/Prior Period Transactions)

Then to Establish the Ratio:

5 Change in Accounts/(Change In Accounts + Change In Usage +
Change in Ticket Size)

Similar calculations would be a matter of ordinary skill on an as-needed basis for those of ordinary skill in analyzing financial performance data, and could likewise be implemented for analysis of a large number of organizations by
10 simple computerized means on a large scale.

It is contemplated that among the organizations providing the benchmarking data there will be organizations of disparate size, financial resources, or industry position. Accordingly, it is desirable and useful to take such differences into account in providing benchmarking analysis, as companies of different status may
15 have different performance goals. Accordingly, benchmarking data may be tailored (as to its analysis or delivery) so as to take into account the size and status of the particular organization being benchmarked. In particular, weighting may be applied to various inputs or outputs of the benchmarking process. In particular, the data can be weighted in proportion to the dominance within its industry or peer group of the
20 particular organization under benchmarking analysis. Such weighting can take the form of weighting data in direct proportion to the sales or dollar volume of the organization's credit or sales transactions. In view of such weighting, the benchmarking peer and industry averages are also weighted and therefore the industry performance averages reflect accurately the preponderant role played by larger-dollar-
25 volume organizations in driving overall industry performance.

The embodiments described herein may advantageously be implemented in connection with a benchmarked organization's personal computer system or workstation (comprising a computer processor such as an Intel Pentium processor, spreadsheet software such as Microsoft Excel, and implementing a
30 communications module such as a common web browser such as Internet Explorer or Netscape), linked by a World Wide Web connection to a benchmarking service

provider utilizing similar standard computer hardware and software. The network communication link between the benchmarked organization and the benchmarking service provider may be provided with some network-default level of encryption (perhaps a relatively weak level such as 56 bit encryption). Alternatively, desired
5 high-level encryption, for instance 128 bit, 448 bit, or other encryption under SSL (Secure Socket Layer) or 3DES encryption protocols or other encryption protocol known in the art for maintaining the secrecy of a transmission of highly sensitive financial data over a public network, may be applied to the communications needed for the present invention, as is known in the art.

10 Display of benchmarking data for the benchmarked organization may be provided in customizable forms. Advantageously, display may be made on a color CRT monitor connected to the user's computer system, and benchmarking results may be displayed in color-coded graphical fashion, in keeping with known techniques for generating color graphs and charts in graphics displays (including simulated three-
15 dimensional color graphical displays for additional ease of user comprehension or aesthetic appeal), to coordinate and enhance the comparative benchmarking data and comparisons and allow a user to rapidly comprehend the same. Similarly, known computer programming techniques and languages (for instance, Visual Basic, JAVA, C++) may be adapted in a variety of fashions for use in either the central
20 benchmarking provider computer system, or the computer system of the benchmarked organization, for customized data analysis and integration, and display of results, in the fashion most amenable to that user's needs. The ability to adapt a wide range of data processing algorithms to yield various desired financial analytic outputs, to apply customizable weighting procedures, and to allow customizable user-friendly output,
25 all across a broad range of computer system platforms (i.e., various hardware, software, computer language, and operating system combinations) provides the present invention with considerable versatility.

Those of ordinary skill in the art will appreciate that the foregoing discussion of certain preferred embodiments is illustrative only, and does not limit the
30 spirit and scope of the present invention, which are limited only by the claims set forth below.

CLAIMS

1. A method for providing to an organization comparative performance benchmarking analysis, said method comprising the steps of:
 - (a) obtaining a first set of data representative of a first set
5 of discrete determinants of performance of the organization;
 - (b) obtaining a plurality of additional sets of data representative of a second set of discrete determinants of performance of third party organizations;
 - (c) analyzing and integrating said sets of data to produce
10 results;
 - (d) providing the results of said analysis to the organization in a form that demonstrates the interrelationship within and between each of the first and second sets of discrete determinants of performance and that demonstrates the performance of the organization relative to the performance of the third party
15 organizations.
2. The method of claim 1, wherein the organization is a provider of financial services products.
3. The method of claim 2, wherein the organization is an issuer of
20 credit card accounts.
4. The method of claim 3, wherein the third party organizations are also issuers of credit card accounts.
5. The method of claim 4, wherein said data comprise numerical
25 data and said determinants of performance comprise financial statistics.

6. The method of claim 5, wherein said second set of analogous discrete determinants of performance comprise determinant categories identical to said first set of discrete determinants.

5 7. The method of claim 6, wherein the determinants of performance comprise one or more of the categories of portfolio characteristics, risk management characteristics, financial performance characteristics, operations characteristics, and cardholder satisfaction characteristics.

8. The method of claim 1, wherein the step of analyzing said sets
10 of data comprises comparing said first set of data with said plurality of additional sets of data.

9. The method of claim 8, further comprising the step of weighting at least a portion of said first set of data.

10. The method of claim 9, wherein the step of weighting at least a
15 portion of said first set of data comprises weighting said data in proportion to the financial importance of the organization.

11. The method of claim 10, wherein the said portion of said first set of data is weighted in proportion to the amount of revenue of the organization.

12. The method of claim 11, wherein the organization is a provider
20 of financial services products.

13. The method of claim 12, wherein the organization is an issuer of credit card accounts.

14. The method of claim 13, wherein the third party organizations are also issuers of credit card accounts.

15. The method of claim 14, wherein said data comprise numerical data and said determinants of performance comprise financial statistics.

16. The method of claim 15, wherein said second set of analogous discrete determinants of performance comprise determinant categories identical to said first set of discrete determinants.

17. The method of claim 16, wherein the determinants of performance comprise one or more of the categories of portfolio characteristics, risk management characteristics, financial performance characteristics, operations characteristics, and cardholder satisfaction characteristics.

18. The method of claim 1, wherein the steps of obtaining said sets of data is conducted over a public computer network and the step of analyzing said sets of data is conducted using computer hardware and software.

19. The method of claim 18, wherein the step of providing said results of said analysis is conducted over a public computer network.

20. The method of claim 18 or 19, wherein said public computer network comprises the internet.

21. The method of claim 20, wherein said sets of data and said results are transmitted over said network in securely encrypted form.

22. The method of claim 8, wherein the steps of obtaining said sets of data is conducted over a public computer network and the step of analyzing said sets of data is conducted using computer hardware and software.

23. The method of claim 22, wherein the step of providing said results of said analysis is conducted over a public computer network.

24. The method of claim 22 or 23, wherein said public computer network comprises the internet.

5 25. The method of claim 24, wherein said sets of data and said results are transmitted over said network in securely encrypted form.

26. The method of claim 17, wherein the steps of obtaining said sets of data is conducted over a public computer network and the step of analyzing said sets of data is conducted using computer hardware and software.

10 27. The method of claim 26, wherein the step of providing said results of said analysis is conducted over a public computer network.

28. The method of claim 26 or 27, wherein said public computer network comprises the internet.

15 29. The method of claim 28, wherein said sets of data and said results are transmitted over said network in securely encrypted form.

30. The method of claim 1 or 8, wherein the third party organizations are members of the same industry as the organization.

20 31. The method of claim 6, 7, 16, or 17, wherein the step of providing the results of said analysis comprises providing information regarding the organization's performance during a later temporal period relative to its performance during a later analogous temporal period.

32. The method of claim 1 or 8, wherein said sets of data are obtained and analyzed by a party other than the organization or any of the third party organizations.

5 33. The method of claim 31, wherein said sets of data are obtained and analyzed by a party other than the organization or any of the third party organizations.

34. The method of claim 1 or 8, wherein the results are provided by display upon a computer monitor in color graphical form.

1/6

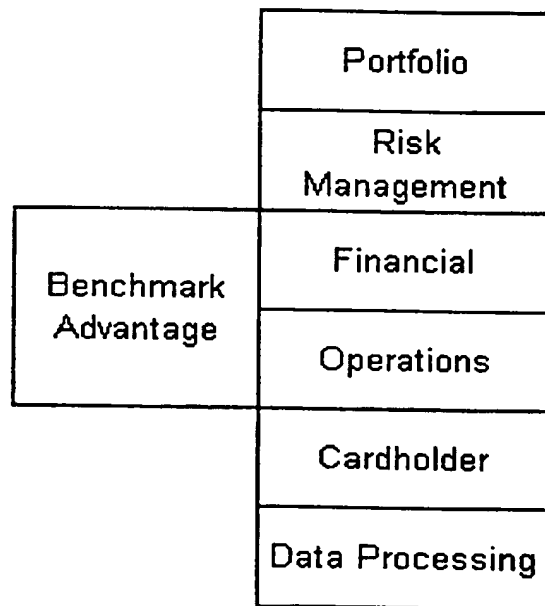


FIGURE 1

2/6

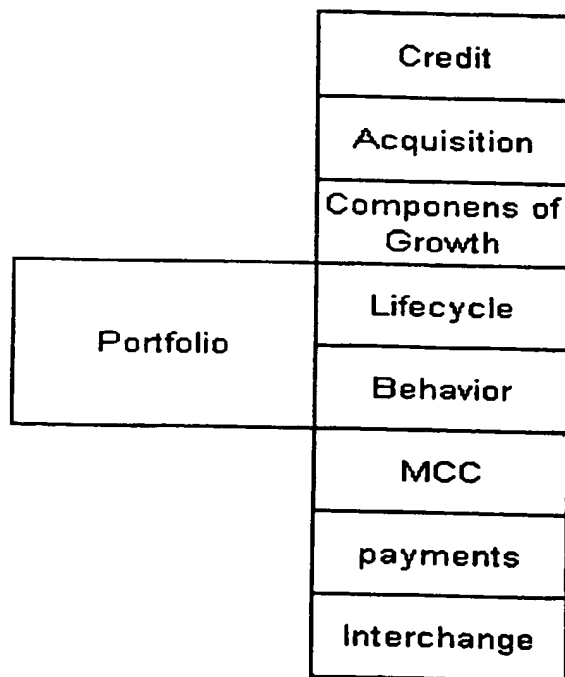


FIGURE 2

3/6

Risk Management	Charge-Offs
	Recoveries
	Delinquencies
	Credit Scores

FIGURE 3

4/6

Financial	Revenue
	Expense
	Net Income

FIGURE 4

5/6

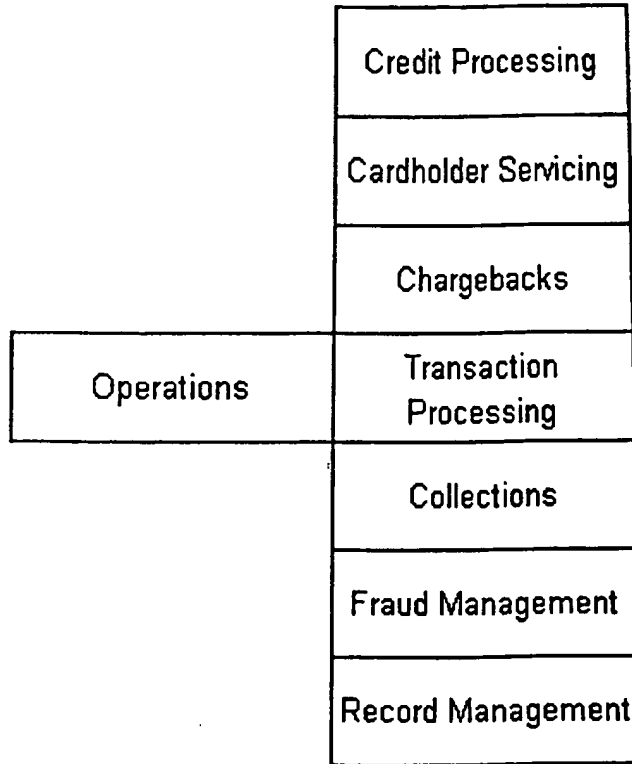


FIGURE 5

6/6

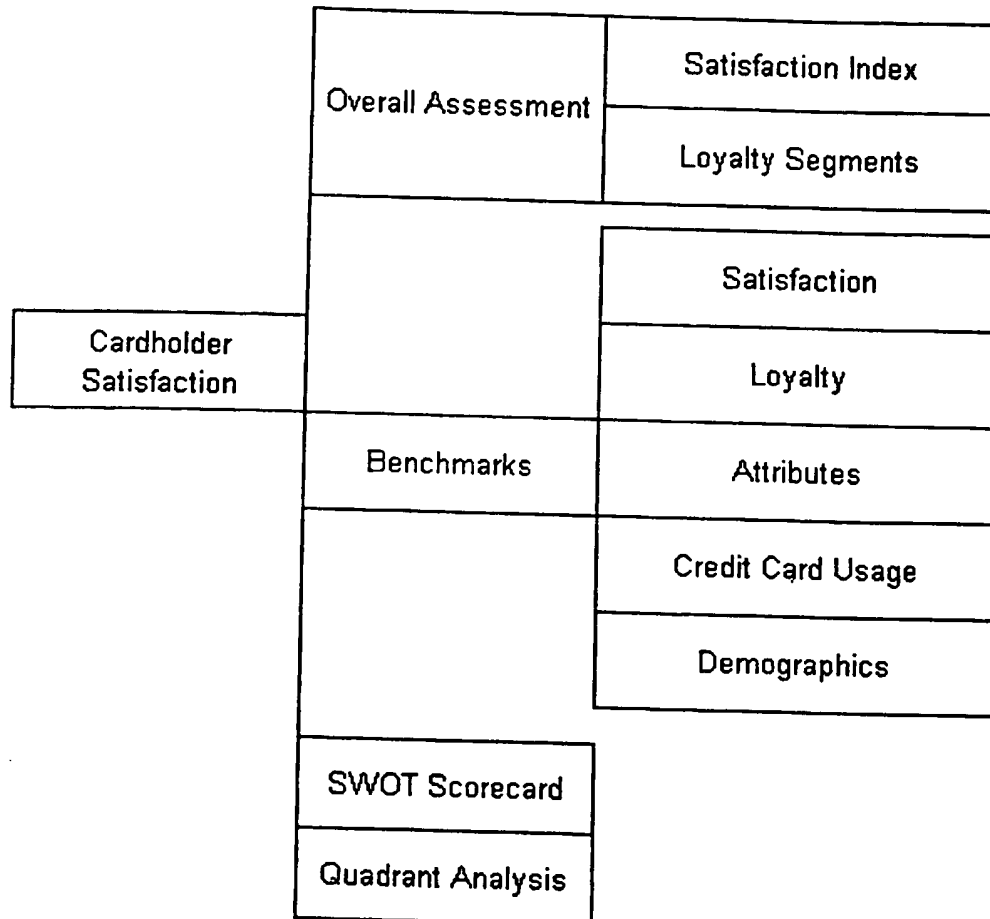


FIGURE 6